

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Murray Analyst: Kimberly Pantoja Bill Number: SB 86

Related Bills: See Prior Analysis Telephone: 845-4786 Amended Date: 04/19/99

Attorney: Pat Kusiak Sponsor:

SUBJECT: FTB Include Voter Registration Information In PIT Return Pamphlet Of Instructions

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as amended April 5, 1999.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED December 7, 1998 STILL APPLIES.

OTHER - See comments below.

SUMMARY OF BILL

This bill would require the Franchise Tax Board (FTB) to provide voter registration information provided by the Secretary of State (SOS) to taxpayers by either:

- including an insert prepared by the Secretary of State containing voter registration information in the pamphlet of instructions that accompanies personal income tax returns; or
- providing space for the voter registration information in the pamphlet of instructions that accompanies personal income tax returns.

This bill also would require every state agency to continually make available voter registration cards in a conspicuous location in any office where the public regularly conducts business with the agency.

This bill also would make changes to various code sections not administered by the FTB.

SUMMARY OF AMENDMENT

The April 19, 1999, amendments changed the voter registration participation requirement for the University of California and the California State University systems. These changes do not affect the department.

Except for the position change and an implementation concern raised in the analysis of the bill as amended April 5, 1999, the department's analysis of the original bill as introduced December 7, 1998, still applies. Implementation and technical concerns are provided below.

Board Position:

<input checked="" type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input type="checkbox"/> PENDING

Department/Legislative Director Date

Johnnie Lou Rosas 4/30/1999

Implementation Considerations

By its definition of "voter registration information," the Elections Code provision in this bill would require the Secretary of State to give the department a notice to print on the envelope which transmits the income tax instruction booklet or an insert to be placed in the booklet. However, the Revenue and Taxation Code provision in this bill allows the department either to include an insert or provide space in the instructions for the personal income tax returns. The department currently prints voter registration information in the text of the instruction booklet. The contradiction between the two provisions raises concerns over whether the department can continue to print the information in the text of the instruction booklet.

The paragraph of voter registration information that the department has currently included in the personal income tax booklets is 14 lines of text. The Revenue and Taxation Code provision of this bill specifies that the printed notice may "not exceed three lines in length, containing voter registration information provided by the Secretary of State." It is unclear whether the Secretary of State could provide these lines for the booklets, since the Elections Code provision specifies the Secretary must provide a notice for an envelope or insert. However, if the intent is still to allow the notice to appear in the text of the income tax instruction booklet, the SOS would need to condense the current information for next year's booklets to implement the bill as written. Amendment 2 has been provided as a solution to this issue.

Technical Considerations

As drafted, the bill could be interpreted to require the FTB to provide voter registration information to taxpayers by September of each year. Amendment 1 would clarify that the SOS shall provide the notice to the FTB no later than September of each year so that the FTB can include the notice in instruction booklets printed in October and November for distribution to taxpayers in January of the following year.

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FRANCHISE TAX BOARD'S
PROPOSED AMENDMENTS TO SB 86
As Amended April 19, 1999

AMENDMENT 1

On page 6, line 25, after "provided," insert:
to the Franchise Tax Board

AMENDMENT 2

On page 8, line 38, strike ", not to exceed three lines in length,"